

Understanding Your Requirements as a Battery Producer

May 7, 2020

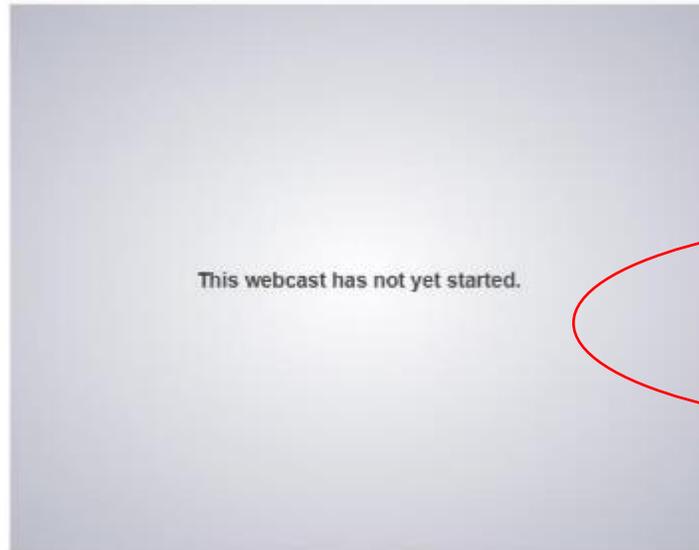
Patrick Moran, Registrar



How to ask a question

Understanding Ontario's New Batteries Regulation

Tuesday, March 10, 2020 1:00 PM EDT



Q&A Tech Support

Type a question and press 'Enter'.

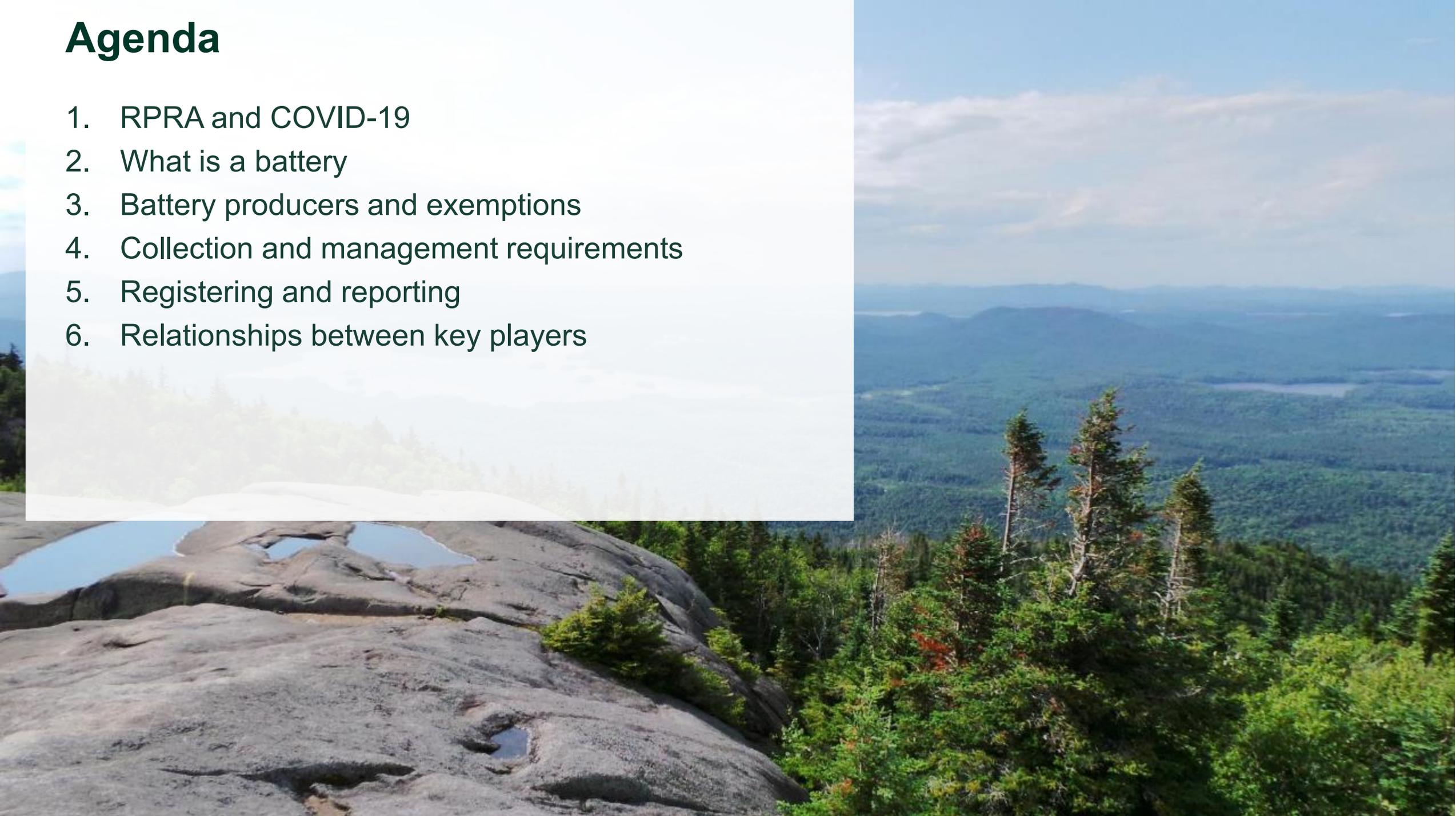
During this webinar, we will walk through Ontario's new Batteries Regulation and help those affected by it meet their obligations and participate in the new market for recycling, reusing and refurbishing batteries.

For more information, visit our website: <https://rpra.ca/learn/>.

To ask a question at any time during the presentation or for technical assistance, type your question in the text box and press 'Enter.'

Agenda

1. RPRA and COVID-19
2. What is a battery
3. Battery producers and exemptions
4. Collection and management requirements
5. Registering and reporting
6. Relationships between key players



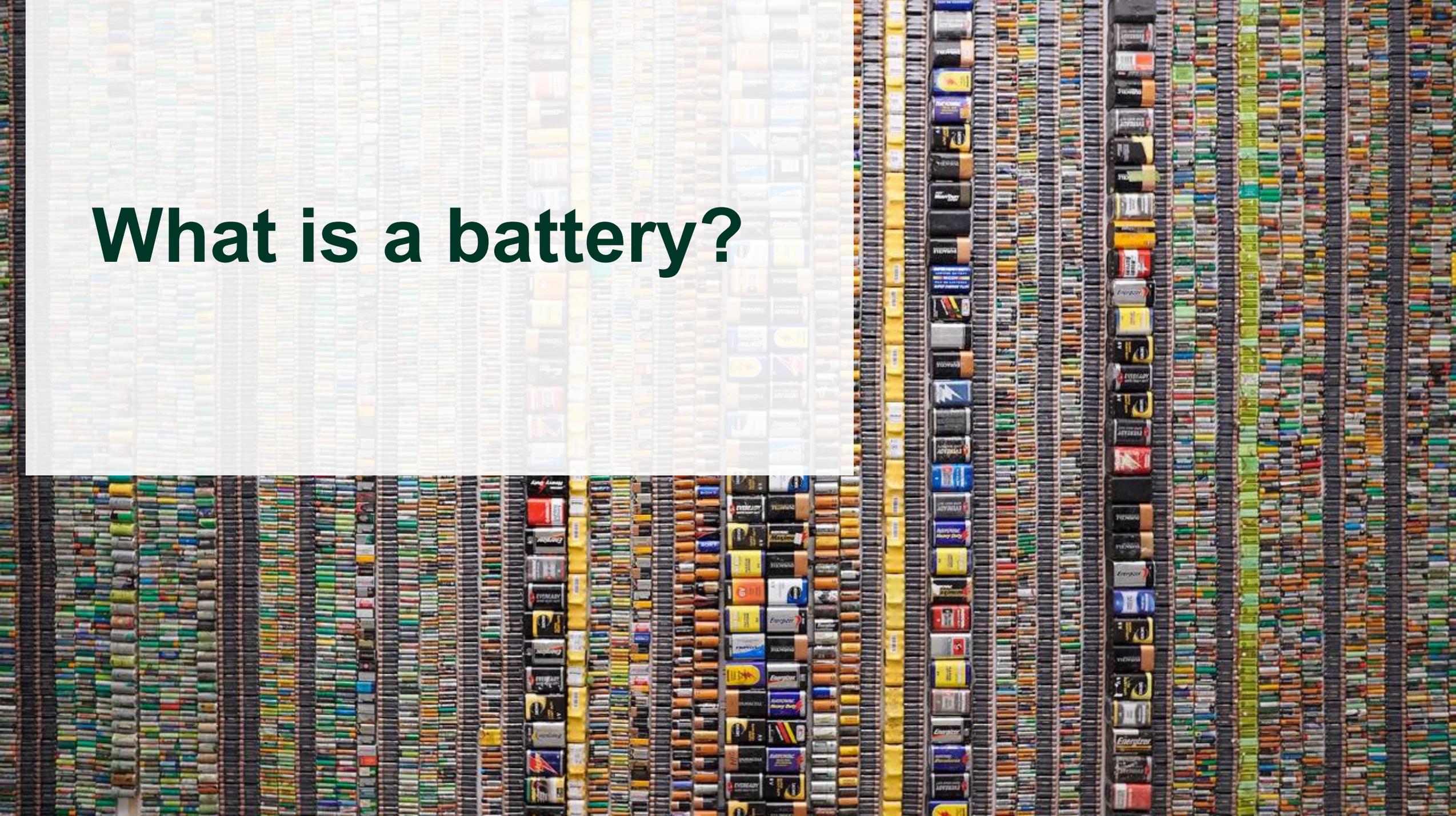
RPRA and COVID-19



RPRA and COVID-19

- All RPRA staff are now working from home in response to the COVID-19 pandemic
- All of our services remain fully available:
 - Our Compliance Team remains available for anyone needing assistance
 - By email: registry@rpra.ca
 - By phone: (647) 496-0530 or toll-free at 1-833-600-0530
 - Our website continues to be available with information on the Batteries transition: <https://rpra.ca/programs/batteries/>

What is a battery?



What is a battery?

- Rechargeable and single-use batteries 5 kg or less, and sold separately from products



- For example, button cells, AA, AAA, C, D, 9V, lantern batteries, Small Sealed Lead Acid batteries, replacement batteries for products (e.g., drill, cell phone, laptop)
- Does not include batteries
 - sold with or in products (e.g., batteries sold with or in cordless power tools, cell phones, laptops, toys, vapes, fire alarms)
 - over 5 kg (e.g., car batteries, forklift batteries, stationary batteries)
- Supplied into Ontario, regardless of end user (includes industrial, commercial and institutional consumers)

What is a battery? (continued)

What does “marketed to consumers separately from a product” mean?

- Meant to exclude embedded batteries, the battery must be sold inside the product or in the same packaging as the product.
- Batteries sold at the same time but separately from the product are not excluded.

Replacement batteries

- Replacement batteries must be reported under the Batteries Regulation by the producer of those replacement batteries regardless of whether they are being used to replace embedded batteries or the battery is changed in an IC&I setting.

Batteries sold to an equipment manufacturer

- If you sell a battery to a manufacturer who then embeds that battery into a product, those batteries **do not** need to be reported by you.
- If that same manufacturer also sells your batteries as replacement batteries to consumers, you will need to develop a process with that manufacturer to track those batteries so that you can report them.
 - Batteries that are sold as replacement batteries must be reported under the Batteries Regulation.

Battery producers



Who is a producer?

- A person is considered a battery producer if they supply batteries into Ontario and is:
 - a brand holder resident in Canada (not just Ontario)
 - the importer resident in Ontario, if there is no resident brand holder
 - the person resident in Ontario marketing the batteries to Ontario consumers, if there is no resident importer
 - the non-resident marketer, if there is no resident marketer
- Resident in Ontario or Canada means having a permanent establishment as defined in the *Income Tax Regulations*
- **Producers cannot pass off their obligations under the Batteries Regulation through voluntary remitter agreements or any other commercial agreements**

What is a volunteer organization?

- A volunteer organization is a person who,
 - (a) is a brand holder who owns a brand that is used in respect of batteries;
 - (b) is not resident in Canada;
 - (c) has registered in the Registry in accordance with subsection 19 (5); and
 - (d) has entered into a written agreement with a producer for the purpose of carrying out one or more producer responsibilities relating to batteries under section 19, 22, 23 or 24
- A volunteer organization is **not** a producer
- Producers remain responsible for battery management
- A volunteer organization can take on the registration and reporting responsibilities for producers in relation to its brand of batteries
- We will work with producers and potential volunteer organizations that want to pursue this arrangement

How do I determine what batteries need to be reported?

You should report on batteries if the following statements apply to you:

- You meet the definition of battery producer
 - Your batteries weigh 5 kg or less and are sold separately from products
 - Your batteries are marketed to consumers in Ontario
-
- Any potential producer seeking to determine what batteries they need to report as a producer can speak with RPRA's Compliance Team and seek legal advice as required
 - It is not sufficient to rely on another party's registration with RPRA to determine if you are a battery producer obligated to report batteries

Producer exemptions



Battery producer exemptions

- Battery producer exemptions are based on **two factors**:
 - The producer's management requirement, and
 - The number of full-time employees the producer has.
- A battery producer qualifies for an exemption if its management requirement is:
 - less than 1.25 tonnes of rechargeable batteries, or
 - less than 2.5 tonnes of single-use batteries.
- The type of exemption depends on whether a producer has
 - five or more full time employees, or
 - fewer than five full time employees.
- Producers are encouraged to contact RPRA's Compliance Team to confirm their status as exempt producers

Do I qualify for an exemption?

- A battery producer qualifies for an exemption if its management requirement is:
 - less than 1.25 tonnes of rechargeable batteries, or
 - less than 2.5 tonnes of single-use batteries
- A producer's management requirement is based on the weight of batteries the producer supplies to Ontario consumers
- The next slide shows the maximum average annual weight that a producer can supply before losing the exemption, based on the formula in the Batteries Regulation

How do I determine if I qualify as an exempt producer?

Single-Use Battery Producers	
Performance Period	Exempt if average annual supply is not more than (kg)
July 1, 2020 to Dec 31, 2021	6250
2022	6250
2023	6250
2024	5560
2025	5000

Rechargeable Battery Producers	
Performance Period	Exempt if average annual supply is not more than (kg)
July 1, 2020 to Dec 31, 2021	3125
2022	3125
2023	3125
2024	2770
2025	2500

If I qualify for an exemption, what am I exempt from?

- The type of exemption depends on whether a producer has:
 - five or more full-time employees, or
 - fewer than five full-time employees.
- A full-time employee is any person who is paid or who earns commission for an average of at least 30 hours of work per week
- If a producer meets the weight requirement for an exemption and has five or more full-time employees, the producer must register and meet the reporting requirements but is exempt from the requirement to collect and manage used batteries
- If a producer meets the weight requirement for an exemption and has fewer than five full-time employees, the producer is exempt from the registration and reporting requirements as well as the requirement to collect and manage used batteries

Producer obligations under the Batteries Regulation

Obligations	Exempt and fewer than five full-time employees	Exempt and five or more full-time employees	Management requirement between 1.25 and 40 tonnes for rechargeable, or between 2.5 and 80 tonnes for single use	Management requirement 40 tonnes or more for rechargeable, or 80 tonnes or more for single use
Register	No	Yes	Yes	Yes
Report Supply	No	Yes	Yes	Yes
Collection System Requirements	None	None	Small producer requirements	Large producer requirements
Management Requirements	None	None	Calculated from supply	Calculated from supply
Report on Performance	No	No	Yes	Yes
Promotion and Education	No	No	Yes	Yes



Questions?

Collection system requirements



Collection system requirements

- Different management requirements for small and large producers
- A **small producer** is defined as someone who must manage:
 - more than 1.25 and less than 40 tonnes of rechargeable batteries, or
 - more than 2.5 and less than 80 tonnes of single-use batteries
- A **large producer** is defined as someone who must manage
 - 40 tonnes or more of rechargeable batteries, or
 - 80 tonnes or more of single-use batteries

Battery collection system – large producers

- Starting July 1, 2020, obligated producers are required to establish and operate a collection system for their single-use or rechargeable batteries
- Collection sites can be shared by producers

Municipality with population greater than 1,000 and less than 500,000	Municipality with population greater than 500,000	Territorial district with population greater than 1000
At least one battery collection site for every 15,000 people or portion thereof	At least 34 battery collection sites for the first 500,000, and at least one battery collection site for every 50,000 people, or portion thereof, for the portion that surpasses 500,000	At least one battery collection site

- Sites in municipalities or territorial districts with populations less than 1000, Crown sites and First Nations can contact a PRO or a large producer for a battery pick-up once they have collected one tonne of batteries

Battery collection system – small and exempt producers

- Small producers must establish one of the following collection systems for their category of batteries:
 - In each municipality in which the producer has retail locations, the number of collection sites the producer must have must be equal to or greater than 75% of the number of retail locations that market the producer's batteries in the municipality;
- OR
- Same as large producers, with the number of required sites determined by the population in the municipality or territorial district

No. of retail locations	No. of collection sites required
1	1
2	2
3	3
4	3
5	4
6	5
7	6
8	6
9	7
10	8

Battery collection system – site requirements

- Producers must ensure that consumers can drop off batteries free of charge at each site that is part of their collection system and must satisfy the following requirements:
 - If the battery collection site is not part of a retail location, it must accept all batteries.
 - If the battery collection site is part of a retail location, the site must accept, at a minimum, all batteries that are of a similar size and function and fall into the category of batteries supplied by the producer at that location.
 - The battery collection site must be readily accessible to the public and must be operated and accept batteries during normal business hours throughout the performance period.
 - The battery collection site must accept, at a minimum, up to 15 kg of batteries per day from any person.
 - If the battery collection site is not part of a retail location and the battery collection site accepts more than 15 kg of batteries from a person on a single day, the operator of the site shall record the person's name, contact information and the weight of batteries accepted.



Questions?

Management requirements



Producers – management of batteries (resource recovery)

- Every producer shall establish and operate a system for managing used batteries
- Producers must ensure that every battery picked up from a collection site, regardless of whether it is part of the producer's collection system, is managed (reused, refurbished or processed) within three months of the pickup date
- Managed means reused, refurbished or processed (i.e. is now a recovered resource)
- Recovered resources are:
 - materials used or destined to be used by a person for the making of new products or packaging;
 - materials used to enrich soil;
 - materials used as aggregate (up to a 15% max)
- The weight of the recovered resources may only count once, and the following cannot be used to satisfy the management requirements under the Batteries Regulation:
 - materials that are land disposed, incinerated or used as fuel or a fuel supplement; and
 - materials that are stored, stockpiled, used as a daily landfill cover or otherwise deposited on land.

Recycling Efficiency Rate (RER)

- “recycling efficiency rate” (RER) means the ratio of the weight of resources recovered from batteries received by a battery processor, to the weight of batteries received by that battery processor
- Beginning in 2023, producers can only use a battery processor, for the purposes of meeting their management target, that is registered (unless exempt registration) and has:
 - At least 70% RER for rechargeable batteries
 - At least 80% RER for single-use batteries
- The verification of RER is conducted in accordance with [RPRA's Registry Procedure](#)

Promotion and education

- From July 1, 2020 to December 31, 2022, producers, at a minimum need to:
 - Make reasonable efforts to raise public awareness of the producer's efforts to collect, reduce, reuse, recycle and recover batteries and to encourage public participation in those efforts
 - Publish and clearly displaying the following information on their website
 - The location of each battery collection site that is part of the producer's collection system, for each category of batteries, where consumers may return the batteries at no charge – *this can be done by linking to this information on another website*
 - A description of any collection services provided by the producer that are available other than at a battery collection site
 - A description of the resource recovery activities engaged in by the producer for each category of batteries in the course of managing the batteries



Questions?

Registration and reporting



How to register as a producer

- Register on or before November 30, 2020
 - Collection and management requirements begin July 1, 2020
- The Registrar will notify potential producers when registration opens
- Because of the timing of the Batteries Regulation, registration will take place using a spreadsheet-based form while the Batteries Registry is being built
- Producer registration includes:
 - Name, contact information, authority to bind, battery categories
 - The weight of single-use batteries supplied in 2018 and 2019
 - The weight of rechargeable batteries supplied in 2018
 - Weight of recycled content, if any
 - Producers can reduce their supply data by the weight of recycled content, up to a maximum of 50%, provided it is verified in accordance with RPRA's Registry Procedure
 - e.g. 2% post-consumer recycled metal by weight in batteries supplied in 2020 means a 2% supply weight reduction for that year

How to determine battery supply data

- To determine how many batteries (units) producers supplied into Ontario, they can:
 1. Use actual units, or
 2. A formula based on Ontario population as set out in RPRA's [Registry Procedure](#)
- To determine the weight of the battery units supplied, they can:
 1. Use actual weight
 2. Use the weight conversion calculator as set out in the Registry Procedure
 - Single-use batteries calculator is provided in the procedure
 - Rechargeable battery weight conversion calculator consultation will begin at the end of May
 - Proposal will be released last week of May
 - Webinar on June 2
- Producers may also bring forward their own methodology for the Registrar to review

Performance periods

- The first performance period for used battery management is from July 1, 2020 to December 31, 2021
- This applies to both single-use and rechargeable battery producers
- Subsequent performance periods are based on calendar years, starting with 2022

Single-Use Batteries

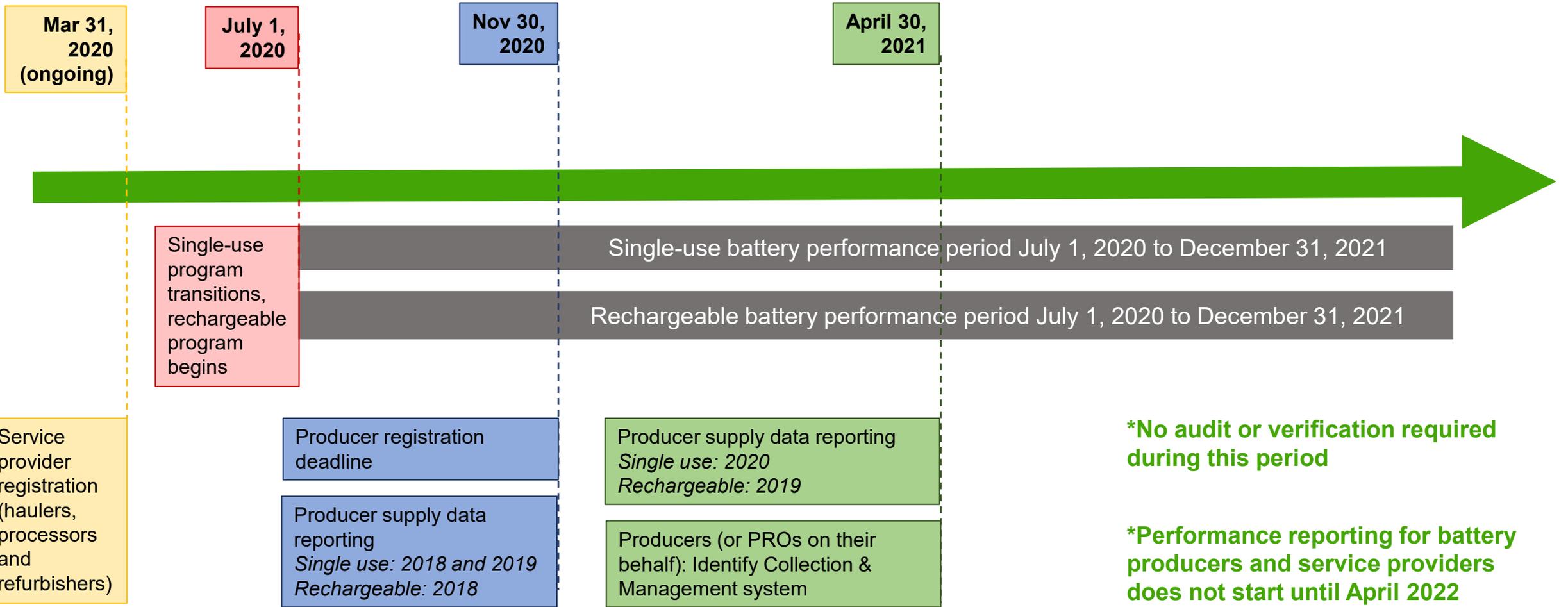
Performance Period	Management Requirement	Calculation
July 1, 2020 to December 31, 2021	Best efforts – 40%	$[(2018 + 2019) / 2 \times 0.4] \times 1.5$
2022	Best efforts – 40%	$[(2018 + 2019 + 2020) / 3 \times 0.4]$
2023	40%	$[(2019 + 2020 + 2021) / 3 \times 0.4]$
2024	45%	$[(2020 + 2021 + 2022) / 3 \times 0.45]$
2025	50%	$[(2021 + 2022 + 2023) / 3 \times 0.5]$
And <u>so</u> on		

Rechargeable Batteries

Performance Period	Management Requirement	Calculation
July 1, 2020 to December 31, 2021	Best efforts – 40%	$[(2018) \times 0.4] \times 1.5$
2022	Best efforts – 40%	$[(2018 + 2019) / 2 \times 0.4]$
2023	40%	$[(2018 + 2019 + 2020) / 3 \times 0.4]$
2024	45%	$[(2019 + 2020 + 2021) / 3 \times 0.45]$
2025	50%	$[(2020 + 2021 + 2022) / 3 \times 0.5]$
And <u>so</u> on		



The First Performance Period: July 1, 2020 to December 31, 2021*



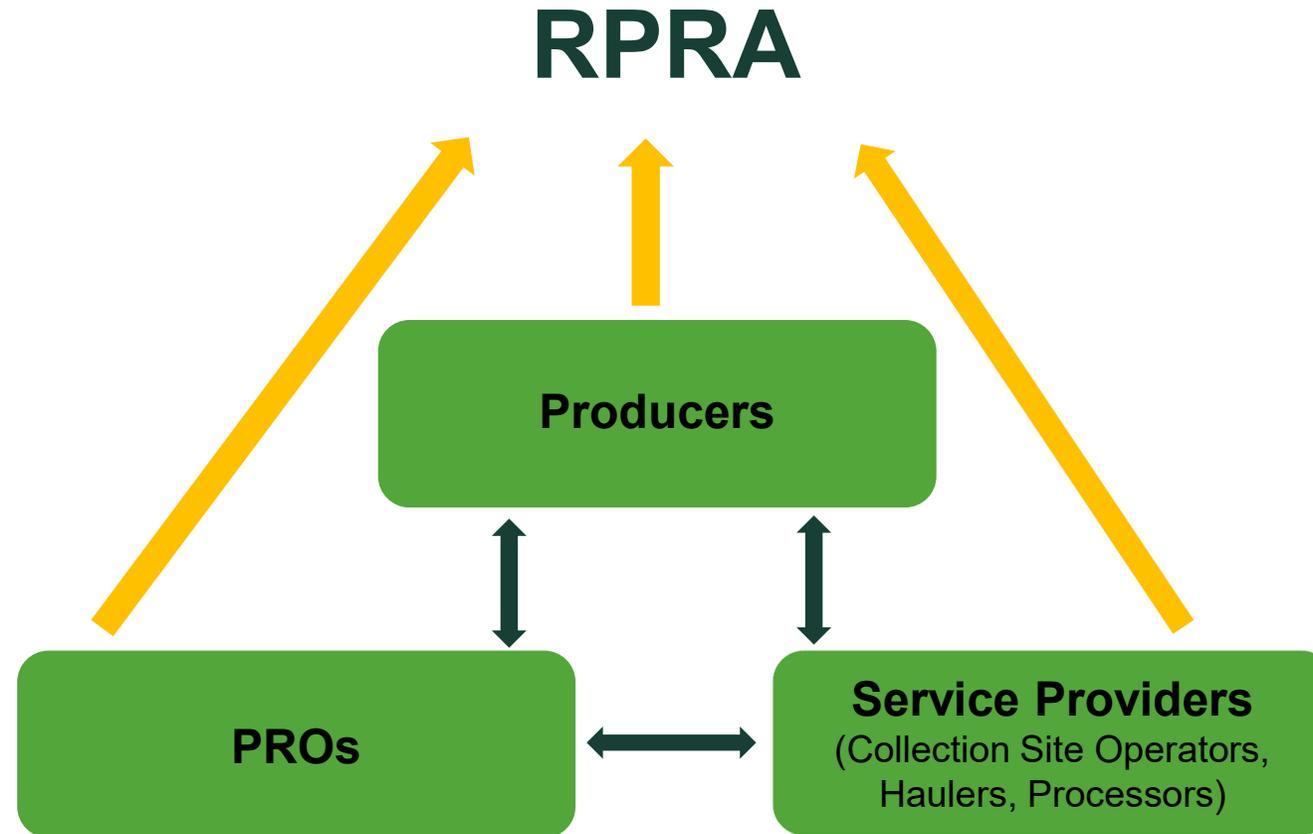


Questions?

Relationships between key players



Relationships in the new batteries program

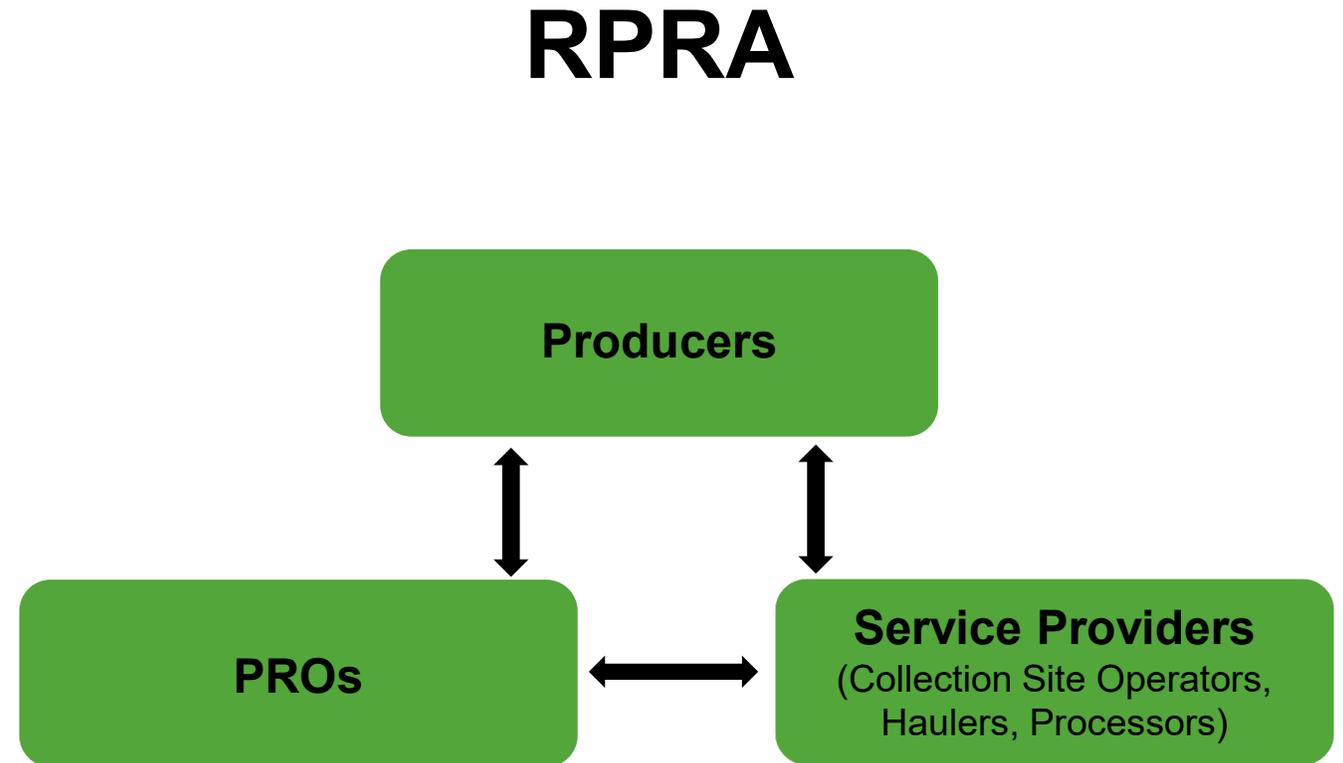


Contractual relationships between key players

- Key players in the marketplace are producers, PROs and service providers
 - Contractual relationships are between the key players – it is a market-based process
- Producers will look at what's available to them in the marketplace and the PROs and service providers will compete for that business
 - Given the number of PROs and other service providers operating in the marketplace, producers have options and should consider which PRO or service provider best meets their needs
- PROs will enter into contractual relationships with collection site operators, haulers, refurbishers and processors to meet producers' obligations
 - Requirements associated with safety, transportation and how payment will be issued should be addressed in the individual contracts
- Commercial arrangements can also exist between service providers
- For batteries to count towards a producer's collection and management requirement, producers should only contract with service providers and PROs registered with the Authority

Relationship between key players and the Authority

- The Authority is not involved in the contractual relationships between service providers
 - The Authority does not administer, review or oversee contracts
 - The Authority does not provide any sort of incentives (e.g. transporting or processing)
 - This is intended to be a competitive market to be used by producers to meet the required performance outcomes under the Batteries Regulation



Working with PROs and other service providers

- A producer responsibility organization, or PRO, is any person retained by a producer to:
 - arrange the establishment or operation of a battery collection or management system (i.e. processing, hauling or refurbishing)
 - establish or operate a battery collection or management system (i.e. processing, hauling or refurbishing)
 - prepare and submit reports
- Producers will likely contract the services of PROs or other service providers to meet their obligations under the regulation
- A PRO can submit the following performance information to the Registry (annual performance report) on a producer's behalf:
 - The collection sites that make up the producer's battery collection system
 - The refurbishers and processors that make up the producer's battery management system
 - The weight of batteries (per category) recycled and refurbished to meet the producer's performance requirement

Do you need a PRO or other service providers?

- As a producer, you may have mandatory collection and management requirements
- You can choose to:
 - meet these management requirements yourself;
 - hire a PRO to do it for you, or
 - contract directly with haulers, refurbishers and processors
- Do you need a PRO?
 - Unless you fall under the two producer exemptions, you will likely need the services of a PRO, unless you make your own arrangements for recycling or refurbishing used batteries
- Regardless of whether you retain service providers to meet your management requirements, you are always legally responsible for meeting those requirements
- Make sure you build in audit and verification requirements into your contract with your service providers

When do you need to find a PRO or other service providers?

- If you plan to use a PRO or other service providers to meet your producer responsibilities, you should make those commercial arrangements as soon as possible
- While there are no explicit deadlines for retaining a PRO, you should give yourself sufficient time to arrange for the collection and management of used batteries networks (whether on your own or with service providers) so you can meet your collection and management requirements which begin **July 1, 2020**

Registration for service providers and PROs is under way

- Two PROs are now registered with the Authority.

Ryse Solutions Inc.

905-330-9206

info@ryseinc.ca

<https://ryseinc.ca/>

Call2Recycle

1-888-224-9764

mmacdonald@call2recycle.ca

<https://call2recycle.ca>

- Over 20 battery haulers and processors are now registered. You can find a list of registrants on our Batteries web page under the “Find a Registrant” box.
- Continue to check rpra.ca/programs/batteries/ for updates to the list of registered PROs and service providers.
- Contact our Compliance Team to register:
 - call (647) 496-0530 or toll-free at (833) 600-0530, or
 - email registry@rpra.ca



Questions?

Have more questions?

- Send questions to our Compliance Team at registry@rpra.ca or call us at:
 - (647) 496-0530 or
 - toll free at (833) 600-0530
- Visit our website for more information <https://rpra.ca/programs/batteries/>
- Participate in upcoming consultations related to the Batteries Regulation
 - May and June: Weight conversion calculator for rechargeable batteries
- Stay tuned for future learning events

